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December 12, 2003

Mr. Thomas M. Dorman
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40601

**RE: Case No. 2001-105 – Reply to BellSouth’s Motion to Place SEEM
Payments in Escrow**

Dear Mr. Dorman:

Less than a week ago BellSouth Telecommunications, Inc. (“BellSouth”) filed a motion (the “Escrow Motion”) asking that BellSouth be excused from paying Tier I and Tier II penalties imposed under the SEEM plan and due on December 15, 2003. The Escrow Motion is premised on the belief that the PSC will ultimately grant BellSouth’s prior motion (the “Motion to Modify”) and remove any penalties in the SEEM plan relating to line sharing.

Covad, AT&T and MCI oppose BellSouth’s attempt to weaken this enforcement mechanism under the SEEM plan and have filed responses to the Motion to Modify. Covad, AT&T and MCI also oppose the Escrow Motion. In essence, BellSouth seeks to enjoin the SEEM plan prior to any hearing or argument on the Motion to Modify. Such relief is clearly inappropriate when BellSouth has not established a likelihood of success on the merits of the original motion.

BellSouth suggests that if the Commission does not issue a ruling by December 15 but subsequently rules in BellSouth’s favor on the Motion to Modify, then the Commission could allow BellSouth to offset any SEEM payments ultimately found by the Commission not to be required against penalties that BellSouth would otherwise owe under the Plan. Covad, AT&T and MCI do not oppose such alternative if the Commission ultimately rules in BellSouth’s favor.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Douglas F. Brent". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Douglas F. Brent
Counsel for
DIECA Communications, Inc. d/b/a
Covad Communications Company;
AT&T Communications of the South
Central States; and
MCImetro Access Transmission Services. LLC